



Mission Housing

## **Missional Loans using your finances for the Kingdom**

*Christian workers are often priced out of the UK's housing market, unable to rent privately or buy a home. The result is that many have to leave their ministry for local churches or Christian organisations.*

Mission Housing (MH) is a charitable housing association, established to provide key Christian workers with affordable housing, helping them to live where they work.

With your help, we could do more. MH can offer you a ministry opportunity to strengthen Christian witness by using your finances in the purchase of an affordable home for a Christian worker. The Association will use its expertise to manage the scheme.

1/ Equity Loans – where your capital is backed by equity in the property. You can lend the sum interest-free. At the end of your loan period, you have the prospect of a capital gain linked to the increase in the value of the property. It follows that if the value of the property falls over the period you could receive back less than you put in.

2/ Standard Loans – where you can receive interest on your capital (typically 1%-2%). At the maturity of your loan, you'll receive back your original capital investment.

A number of Christians, prepared to fund a property purchase in this way, can make an affordable home a reality for a key Christian worker.

Mission Housing, 8 Belmont Hill, Lewisham, London, SE13 5BD  
Telephone: 020 8318 4432 Email: [info@missionhousing.org.uk](mailto:info@missionhousing.org.uk)

Mission Housing is the operating name of Mission Housing Association Ltd.  
Member of the National Housing Federation and the Evangelical Alliance.  
Registered as an Industrial and Provident Society with Charitable Status No. 17128R

## FREQUENTLY ASKED QUESTIONS

- 1. What happens if I need my loan to be repaid before the property is no longer needed for the key worker?**
  - A.** When starting the Equity Loan you will have the option to include an earlier repayment term if you feel this may be necessary.
- 2. What happens in the event of my death?**
  - A.** The loan will be repaid to your executors unless you have made provision in your Will for it to be forgiven on your death. (It would then become a gift to charity and be exempt for Inheritance Tax purposes).
- 3. What are the income tax liabilities?**
  - A.** If you have asked for interest to be paid to you this will be subject to income tax in your hands. The actual interest will be paid to you net of 20% tax. If you have made your Equity Loan interest free, there will be no income tax liability.
- 4. What are the capital gains tax implications?**
  - A.** Any increase in your Equity Loan on repayment will be subject to the taxation provisions of Capital Gains. Any decrease in your Equity Loan on repayment will be treated as a loss for Capital Gains purposes.
- 5. What happens if the key worker leaves their position and is no longer engaged in full-time and applicable Christian work?**
  - A.** The MH Board normally negotiate with them to vacate the property, which will be sold and the Equity Loan repaid out of the proceeds.
- 6. Who maintains and insures the property?**
  - A.** Our associate who occupies the property. But the Board may agree to assist with requested improvements, as this would affect the Association's investment in the property.
- 7. What happens if property prices fall?**
  - A.** If property prices fall between the dates of the property purchase and sale (or an early Equity Loan payout), then the Equity Loan is repaid in a reduced amount reflecting the percentage fall in property value. If property prices fall and then recover before the Equity Loan needs to be repaid, the value at the time of repayment is the crucial factor.



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## LOAN ENQUIRY FORM

To be completed by persons offering a loan to  
Mission Housing

**Full Name:** .....

**Address:** .....

.....

**Tel:** .....

**Email:** .....

**Amount of loan  
being offered:**

£

**Anonymity:** Do you wish anonymity from:

The Association's Board                      Yes / No

The key Christian worker involved                      Yes / No

**Time:** For how many years could the loan be available? \_\_\_\_\_ years

**Type of Loan:** Standard / Equity Based

If equity based, please state if a specific property/Christian worker(s) is to be supported

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**Interest:**

If a standard loan, is the loan to be interest free? Yes / No

If not, what rate of return would you like to receive  
0.50%  
1.00%  
2.00%

Please state frequency required:

(tick)  quarterly  annually

*If interest is required, tax will be deducted at source by the Association and accounted for to HMRC. An annual tax deduction certificate will be issued.*

**Repayment:**

Latest required repayment date: .....

Any other conditions on repayment: .....

.....

Is the loan to be 'forgiven' in your will? Yes / No

**Signed:** .....

**Date:** .....

**Please return to:**

Operations Manager  
Mission Housing  
8 Belmont Hill  
London, SE13 5BD

Further details are available on request

[www.missionhousing.org.uk](http://www.missionhousing.org.uk)